

TABLE OF CONTENTS

| | |
|---|--------------------|
| Introduction and General Information | Section I |
| Ordering Procedures | Section II |
| Service Categories and Job Classifications | Section III |
| Contractor Hourly Rate Schedules | Section IV |
| Contractor Contacts | Section V |
| Forms | Section VI |

I. INTRODUCTION AND GENERAL INFORMATION

This Information Technology (IT) Consulting Master Services Agreement (MSA) provides professional consultant services. To help you achieve your IT Consulting Project objectives the State of California makes this MSA available to State and local government agencies; each local agency should make its own determination of whether using these competitively bid contracts is consistent with its procurement policies and regulations.

The intent of establishing this MSA is to expedite the process used to obtain contractors for IT consulting services. Each ordering department is responsible for the following:

- Development of a Statement Of Work (SOW) for the project. The SOW identifies all order related issues and deliverables contained in the "Request For Offer (RFO)" sent to contractors within the selected MSA service subcategory;
- Evaluation of the contractors' SOW response(s) to the RFO and rationale for selection;
- Choice of the contractor best meeting the user department requirements.
- Feasibility Study Report (FSR) and Certification of Compliance;
- Government Code (GC) §19130 standards for the use of personal services contracts justification.

NOTE: The user department manages the project, approves the deliverables, and authorizes payment to the contractor.

Local agency requirements are listed at the end of this section. (Section I.Q)

A. STATE CONTRACT ADMINISTRATOR

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B. CONTRACTOR REQUIRED CERTIFICATIONS

The Senior Project Manager and Project Manager classifications require a Project Management Professional (PMP) certificate from the Project Management Institute (PMI). The PMP certificate must be verified with the contractor's response to the RFO released by the user department.

C. MSA ORDER LIMITS

The order limit is \$1,500,000 per individual order. However, this MSA can be used for orders above \$1,500,000 with prior approval from DGS Procurement Division (PD). See Section II B. FOR ORDERS IN EXCESS OF \$1,500,000.

D. PRICING

1. The contractor rates listed in Section IV, CONTRACTORS HOURLY RATE SCHEDULES are the maximum rates that can be charged and are fixed for the term of this MSA. The RFO process is intended to promote further competition based on a specific statement of work.
2. DGS may consider a rate increase during the first quarter at the end of the initial three-year contract term only upon formal request by the contractor to the DGS administrator. Any revised rate(s) will be published by DGS.

E. PAYMENT

Ordering agencies must comply with GC §927 and pay undisputed invoices within the required 45 days. State agencies may also make progress payments to contractors for work performed until the final deliverable is received and accepted. If progress payments are included in the agency's order, the agency shall retain ten percent (10%) of fees billed pending completion of the entire project (PCC §10346 and §12112).

F. DGS ADMINISTRATIVE FEE

The DGS charges each user an administrative fee for using this MSA. The fee is a percentage of each total contract amount. The current fee schedule is located at; <http://www.ofs.dgs.ca.gov/Price+Book/P/Purchasing.htm>. The fee is not included in the contractor's hourly rates for this MSA. The Multiple Award Program Section (MAPS) will bill each user directly for the administrative fee.

G. PROJECT RELATED EXPENSES

Contractor personnel must be available to be interviewed and to work statewide. Any travel related costs must be included in a contractor's response to the RFO and considered in the evaluation by the requesting department. Approved travel costs may not exceed the current Department of Personnel Administration (DPA) travel and per diem rates.

H. PROFESSIONAL ERRORS AND OMISSIONS INSURANCE

Some orders issued under this MSA may require the contractor to provide proof of Professional Errors and Omissions Insurance covering any damages caused by an error, omission or any negligent acts. The ordering department shall determine the minimum limits of the Professional Errors and Omissions Insurance to be provided at no cost to the user department.

I. PERSONNEL WORKING ON PROJECTS

Contractors must include the names, classifications, certifications (if applicable) and resumes of personnel, including sub contractors, who will be assigned to the project. If a contractor's offer includes subcontractors, the hourly rates and MSA classification **must** be listed. The sub contractor's rates **cannot** be higher than the prime contractor's published MSA rates. NOTE: The Senior Project Manager and Project Manager classifications require a Project Management Professional (PMP) certificate from the Project Management Institute (PMI).

J. TERM OF MSA

The term of this MSA is July 1, 2006 through June 30, 2009—three (3) years with two one-year optional extensions. User department's contracts that are in place before the end of the MSA term may continue for twelve (12) months beyond the MSA contract period.

K. FINANCIAL SECURITY**1. Progress Payments /Performance Bonds**

For projects issued under this MSA, contractors may be required to post a bond in the name of the ordering department prior to starting the project as required in accordance with PCC §12112: Any contract for IT goods or services, to be manufactured or performed by the contractor especially for the state and not suitable for sale to others in the ordinary course of the contractor's business may provide, on the terms and conditions that the department deems necessary to protect the state's interest, for progress payments for work performed and costs incurred at the contractor's shop or plant, provided that not less than 10 percent of the contract price is required to be withheld until final delivery and acceptance of the goods or services, and provide further, that the contractor is required to submit a faithful performance bond, acceptable to the user department, in a sum not less than one-half of the total amount payable under the contract securing the faithful performance of the contract by the contractor.

2. Liability Insurance

NOTE: The State will not be responsible for any premium or assessments on the policy.

Contractor shall furnish to the State a certificate of insurance stating that there is liability insurance presently in effect, for the Contractor of not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined.

The certification of insurance must include the following provisions:

- a. The insurer will not cancel the insured's coverage without 30 days prior written notice to the State;
- b. The State of California is included as additional insured.

Contractor agrees that the liability insurance herein provided for shall be in effect at all times during the term of this contract (including all MSA release orders). In the event said insurance coverage expires at any time during the term of this contract, Contractor agrees to provide at least 30 days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the contract, or for a period of not less than one year. New certificates of insurance are subject to the approval of the Department of General Services, and Contractor agrees that no work shall

be performed prior to approval. In the event the Contractor fails to keep in effect at all times insurance coverage as herein provided, the State may, in addition to any other remedies, terminate this contract.

Ordering departments should request a copy of the Liability Insurance certificate at the time of order placement to ensure Liability Insurance is current.

3. Workers Compensation

NOTE: The State will not be responsible for any premium or assessments on the policy.

Contractor shall furnish to the State a certificate of insurance stating that there is Workers' Compensation insurance on all of its employees who will be engaged in the performance of this agreement.

The certificate of insurance must include the provision that the insurer will not cancel the insured's coverage without 30 days prior written notice to the State.

Ordering departments should request a copy of the proof of Workers Compensation Insurance at the time of order placement to ensure Workers Compensation Insurance is current.

L. FEDERAL DEBARMENT

The Federal Department of Labor requires State departments that are expending Federal funds of \$25,000 or more to have a certification by the supplier that they have not been debarred or suspended from doing business with the Federal Government in the contract file. Each Contractor must provide this documentation upon request.

M. DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)

This MSA does not include contractors certified as a DVBE; however departments should include DVBE program requirements (See the PAM) in their RFO process to ensure that they meet their overall DVBE incentive requirements.

N. TARGET AREA CONTRACT PREFERENCE ACT (TACPA), LOCAL AGENCY MILITARY BASE RECOVERY AREA (LAMBRA), AND ENTERPRISE ZONE ACT (EZA)

These preference programs were not required or evaluated for this MSA; therefore should be included as part of the RFO process by the requesting agency.

O. SMALL BUSINESS(SB) PREFERENCE

Fifty Eight (58) firms on this MSA are California certified small businesses and are designated in the contact information listed in **Section IV, Hourly Rates**. This preference was applied to each bid during the evaluation and selection

process. The ordering department has SB utilization goals and must track dollars spent with a certified small business during the term of this MSA.

P. REPORTING REQUIREMENTS FOR ORDERING DEPARTMENTS

1. Upon completion of the project, the ordering department shall complete the MSA Contract Performance Report in Section VI, FORMS. The completed form should be sent to the MAPS MSA Contract Administrator. Ordering departments may also use the Contract/Contractor Evaluation Form (STD. 4).
2. If the contractor's performance is unsatisfactory, the ordering department must send a copy of the completed Std. 4 to the DGS, Office of Legal Services within five (5) days after the completion of the evaluation. The contractor must be notified and sent a copy of the unsatisfactory Std. 4 evaluation by the ordering department within fifteen (15) days after its completion. See Section II Ordering Procedures H.22.
3. Effective January 1, 2001, departments must report specific information on independent sole proprietor contractors to the Employment Development Department (EDD) as required by Unemployment Insurance Code §1088.8. The information must be reported within twenty (20) days of entering into a contract for \$600 or more, or if there is no contract, within 20 days of when the payments total \$600 or more in any calendar year, whichever occurs sooner. For assistance in reporting to EDD, please call 916-657-0529, the EDD Tax Branch, Accounts Services Group.

Q. LOCAL AGENCIES GUIDELINES FOR USE OF THIS MSA

1. Local agencies must agree to all the terms and conditions of this MSA when issuing orders against this MSA.
2. Local agencies may use their own contract forms but must include all pertinent information as required by State ordering agencies—the data elements are described in Section VI, Forms, STD 213.
3. DGS charges the users of this MSA an administrative fee. The DGS administrative fee is a specified percentage set annually of contracted services. Local agencies using this MSA should check the DGS website for current rates. Refer to the DSG Price Book or <http://www.ofs.dgs.ca.gov/Price+Book/main.htm>. The DGS administrative fee is not included in the contractor's hourly rates for this MSA. Local agencies must agree to the State's administrative fee. The State will bill the local agency for using this MSA as outlined above.
4. The DVBE participation goals do not apply to MSA orders issued by local agencies.
5. The Small Business preference does not apply to MSA orders issued by local agencies. Local agencies are not required to track dollars spent through the use of certified small businesses.
6. Local Agency Reporting—send one copy of the approved order/contract form along with a copy of the Contractor and Evaluation and Selection

Form to DGS/Procurement Division, Attn: Multiple Award Program Section (MAPS). The local agency resolution, if required, approving use of the MSA must be attached to the approval order/contract. The local agency order/contract document **must** include the DGS billing code. If a local agency has not been assigned a DGS billing code, call the DGS/PD at 916-375-4400.